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ICC Staff
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DIRECT TESTIMONY

OF

GENIO STARANCZAK

PRINCIPAL ECONOMIST

TELECOMMUNICATIONS DIVISION

ILLINOIS COMMERCE COMMISSION

ILLINOIS UNIVERSAL SERVICE FUND

DOCKET NOS. 00-0233/0335 (CONSOL.)

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Table of Contents

Q. What is your name, title and business address?

A. My name is Genio Staranczak. I am employed by the Illinois Commerce Commission as principal economist in the Telecommunications Division. My business address is 527 East Capitol Avenue, Springfield, Illinois 62701.

Q. Please describe your educational background and previous job responsibilities.

A. I earned my Bachelor of Arts degree in economics from Lakehead University in 1972 and a Doctor of Philosophy degree in economics from Queen's University, Kingston, Ontario Canada in 1979. In 1977, I began a 20 year career with Bell Canada as an economic forecaster first on a regional and then on a national basis. During the six years I worked directly on economic forecasting, I participated in a series of yearly rate cases.

In 1983, I worked on special assignment to examine economic policy issues related to a forthcoming long-distance competition regulatory proceeding and drafted evidence in this regard. In 1986, I became Director - Policy and Performance where I continued to analyze telecommunication policy issues, conducted total factor productivity studies, price responsiveness analyses and was responsible for developing revenue forecasting methodologies. For the years 1986-1995, I worked

on other regulatory issues such as expanded local calling areas, measured local service, costing studies as well as participating in another general rate case and working on revenue forecasting issues. During this period I published two articles in telecommunications journals on competition and rate rebalancing. I also participated in a number of telecommunication industry conferences as a speaker. In addition, for eight years, I was a member of Statistics Canada Price Advisory Committee which counsels the government on measurement methodologies for the consumer price index.

In 1995, I became Director of Price Cap Regulation where I was primarily responsible for putting together the price cap formula in Bell Canada's alternative regulation proceeding. I also authored the methodology used for measuring total factor productivity and input prices adopted by Bell Canada and most other Canadian telephone companies who participated in the price cap proceeding. In addition, I consulted on other alternative regulation issues including construction of the baskets, pricing flexibility and rate rebalancing. From 1997 to 2000, I was Director of Long-Term Forecasting for the US economy at the WEFA group, a macroeconomic forecasting and consulting firm based in the Philadelphia area. I joined the Staff of the Illinois Commerce Commission in September of 2000.

Q. Have you previously testified before the Illinois Commerce Commission?

A. Yes. I filed testimony in the alternative regulation proceeding, Docket No. 98-0252/98-0335/00-0764 (consol).

Purpose of Testimony

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to (1) identify the kinds of services that should be covered by the Illinois Universal Service Fund; (2) determine the affordable rate for each of the companies applying for the Illinois Universal Service Fund (IUSF) and (3) develop a mechanism to implement the affordable rate. In addition, I will comment on Mr. Robert Schoonmaker's Direct Testimony filed on behalf of the Illinois Independent Telephone Association (IITA) as it pertains to affordable telephone service.

Q. Are you sponsoring any schedules with your Testimony?

A. Yes. I am sponsoring Schedule 3.01, entitled "Monthly Residential Telephone Rates" and Schedule 3.02 entitled "Affordable Rates by Exchange".

Services Supported by the Universal Service Fund

Q. Why was the Illinois Universal Service Fund established?

A. The Illinois Universal Service Fund was established because of the high cost of providing telephone service in certain geographic areas. The fund was created to keep rates affordable for subscribers living in these areas by limiting the price consumers must pay. Any difference between the rates subscribers can afford to pay and the company's cost of providing telephone service would be paid for by the Illinois Universal Service Fund (after taking into any federal support that is provided).

Q. Why do you need to identify the services that should be supported by the IUSF?

A. Section 13-301(e) (1) of the Public Utilities Act requires the Commission to identify services that should be supported by the IUSF.

Q. What services should be supported by the IUSF?

A. I recommend that all the federally supported services should also be supported by the IUSF. Currently, the FCC supports the following services for residential and single line business subscribers:

(1) voice grade access to the public switched network

(2) Local usage

(3) Dual tone multi-frequency signaling or its equivalent

(4) Single-party service or its functional equivalent

(5) Access to emergency services

(6) Access to operator service

(7) Access to interexchange services

(8) Access to directory assistance and

(9) Toll control services for qualifying low-income subscribers.

Staff and the IITA agree on the list of services that should be supported by the IUSF.

The Affordable Rate Should be the Same Across Companies

Q. What is meant by an affordable rate?

A. An affordable rate is the rate the subscriber can "afford" to pay for the services listed above. It is the rate that residence subscribers can afford to pay and it is the rate that single line business subscribers can afford to pay. The affordable rate is also the minimum rate companies are assumed to charge for the purposes of establishing IUSF funding.

Q. Should each company have a different affordable rate or should the rate be the same across companies?

A. The Commission should establish the same or close to the same affordable rate[1] for all Companies eligible for IUSF for reasons of fairness and administrative simplicity. That is the affordable residence rate should be the same or close to the same across companies and the affordable business rate should be the same or close to the same across companies. The IITA has proposed that the affordable rate be the rate that IITA members currently charge. At present, rates vary widely from company to company. For example, rates for the Kinsman Telephone Company currently average $4.00 per month while rates for the Tonica Telephone Company average $31.20 per month[2]. The IITA has provided no rationale such as income or demographics to justify this kind of disparity. It is true that current rates are seven times higher for Tonica subscribers than for Kinsman subscribers but the Commission should not maintain a pricing and subsidy structure that lacks justification just because that is what has been the case historically.

The problem with the current rate structure is best exposed by comparing residence rates[3] charged in various Illinois counties by these independent telephone companies to the income of these counties. For example, the Kinsman Telephone Company operates in Grundy County, which according to the Census Bureau had median household income of over $50,000 in 1997[4]. Yet Kinsman only charges $4.00 a month for a residence line. Similarly, the Glasford Telephone Company

[1] The affordable rate is the rate for flat rate service which includes touchtone and EAS where applicable. Flat rate charges include the state subscriber line charge but not the end user common line charge (EUCL).
[2] See IITA Exhibit #2, Attachment 5; Rates quoted are weighted averages for residence and business rates and include the state subscriber line charge, EAS charges and touchtone charges.
[3] Residence rates quoted include the state subscriber line charge, EAS charges and touchtone charges.

operates in Peoria County which has a median household income of almost $40,000, yet only charges $3.93 a month for a residence line. On the other hand the Flat Rock Telephone Company which operates in Lawrence County with a median household income of about $28,500, charges $21.18 a month for a residence line. Similarly, the Yates Telephone Company charges its Fulton County subscribers about $22.45 for a residence line, yet median household income in this area is $30,723. The IITA has not provided any rationale to justify why $22.45 a month is affordable to a Fulton County household earning under $31,000 a year while a Grundy County household with median income over $50,000 can only afford $4.00 a month. Finally, according to the IITA there are five different affordable rates in Lasalle County, ranging from just over $11 to almost $31. Again, the IITA has provided no reason why there should be five different affordable rates in the same county.

I live in the city of Springfield. Incomes and social characteristics differ from neighborhood to neighborhood. Some areas of the city are populated by doctors and lawyers, others by welfare recipients. Yet all subscribers pay the same rate for basic telephone service. Similarly, the affordable rate should be the same for all companies applying for IUSF funding. Setting different affordable rates for different companies would be akin to setting different rates for different neighborhoods in Springfield.

[4] Income data are provided courtesy of IITA and may be found in data request GS - 102.

Allowing different affordable rates for different companies may create the impression of unfairness and could lead other groups to call for special treatment as well. It could be argued, for example, that since subscribers of Kinsman, for example, would only be asked to pay $4.00 per month for service, even though costs of providing that service are much greater than $4.00 per month that low-income households in Chicago should also be charged only $4.00 per month (including usage) as well. After all under the system proposed by Mr. Schoonmaker, all subscribers in Kinsman, whether princes or paupers would only be required to pay a subsidized rate of $4.00 per month for telephone service - a rate that is currently lower than the rate a low-income household in Chicago is required to pay at present (including usage). It is hard to contend that millionaires in Kinsman should be given subsidies to keep their basic rate at $4.00 per month yet maintain a system under which low-income households in Chicago are required to pay much more than $4.00 per month.

Q. Isn't setting the affordable rate the same for all IUSF subscribers unfair, since some subscribers will have larger local calling areas than others?

A. No. Basically this is a value of service argument that is not relevant for setting an affordable rate. In essence, proponents of different affordable rates argue that some rural companies have smaller local calling areas than others. For these companies, therefore, subscribers may have to pay intralata rates to make a call that in other companies would be a local call and free of charges. Consequently,

the affordable rate for companies with small local calling areas should be less than for companies with larger local calling areas because the value of service received by subscribers of companies with smaller local calling areas is less.

The affordable rate however, should not be based on the number of subscribers a caller can reach at local rates. The affordable rate is not a value of service concept. It establishes the maximum rate a subscriber can pay for basic telephone service before receiving a subsidy. It does not, nor should it matter, how much value the subscriber receives for this rate.

Setting an Affordable Rate

Q. What are some possible ways to set an affordable telephone rate?

A. Setting an affordable rate is more art than science. Nevertheless, there are several ways the Commission can look at this question. Staff suggests that there are at least six different options the Commission can consider before establishing an affordable rate including setting an affordable rate at:

(1) the highest rate (or average of three highest rates) charged by any small independent phone company currently in Illinois:

(2) 200% of the Band "C" access rate for Ameritech Illinois

(3) a level that would account for no more than 2.4% of a low-income household's total expenditure

(4) a level that does not adversely affect the penetration rate

(5) the highest rate (or average of three highest rates) charged in the urban United States and

(6) the average long run service incremental cost (LRSIC) of the independent companies.

Q. Please comment on option (1) the highest rate (or average of three highest rates) charged by any small independent telephone company in Illinois currently.

A. The affordable rate could be set at the highest or average of the three highest rates currently charged by any small independent telephone company in Illinois. The highest rate charged currently, is $31.20 by the Tonica Telephone Company. Averaging the highest 3 rates currently charged (Tonica, FC of Lakeside and Leaf River as listed in IITA Exhibit #2, Attachment 5 Revised) would establish an affordable rate of $27.64. However, the income, social and demographic characteristics of Tonica subscribers may be different from other small independent company subscribers so what is affordable for Tonica subscribers may not be affordable for other subscribers. Similarly, the economic and demographic characteristics of subscribers in companies with the three highest rates may be different from subscribers of other small independent telephone companies.

Q. Please discuss option (2) 200% of the Band "C" Access rate for Ameritech Illinois.

A. The affordable rate could be set as a per cent of an existing rate, for example 200% of the Ameritech Band C rate (the highest rate Ameritech charges). The current band C residence access rate is $9.00, and assuming the average residence subscriber makes 100 local calls per month at an average cost of $.04 per call, this results in usage charges of $4.00. The total for usage and access is therefore $13.00 per month. If an affordable rate is defined as 200% of this, for example, the affordable rate to the subscriber would be about $26. Similarly, the Band C business rate is $12.50 per month, and factoring in usage of $4.00 per month, would give us an affordable rate for business of $33 per month. The drawback with this approach is that the picking the exact per cent is arbitrary.

Q. Please comment on option (3) a level that would account for 2.4% of a low-income household's total expenditure.

A. The affordable rate could be set at a rate that would result in a low income household spending no more than say 2.4% of its income on local telephone service. According to the Bureau of Labor[5], the average urban wage earning household in the United States spends approximately 1.2% of its income on local telephone charges. If we assume that double that number, 2.4% of income spent

[5] See website ftp://ftp.bls.gov/pub/special.requests/cpi/Usri2000.txt page 5 of 6.

on local services is an affordable figure, then for a household earning $15,000 a year, which is just above the poverty line for a household of three persons[6] according to the U.S. Census Bureau, the affordable rate is $360 per year or $30 per month. The $30 figure includes the end user common line charge and taxes so the actual rate the telephone companies could charge would be between $24 and $25. The drawback with this approach is that the exact per cent chosen is arbitrary.

Q. Please comment on option (4) a level that does not adversely affect the penetration rate[7].

A. The affordable rate could be set at a level that would not lower the penetration rate by more than a certain percentage, say 3% from where it is currently. For example, a demand elasticity of -0.01 for penetration lines, would imply that rates could go up by a factor of 3 times before penetration rates would fall by 3% from where they are now. So if current rates average $17.96, this would imply they could go up to about $54 before the penetration rate would fall by 3%. The drawback with this approach is that it will result in a very high affordable rate.

Q. Please comment on option (5) the highest rate (or average of three highest rates) charged in the urban United States.

[6] See http://www.census.gov/hhes/poverty/threshld/thresh00.html for poverty thresholds
[7] The penetration rate measures the per cent of households who have telephone service.

A. State public utility commissions in the United States likely have similar charters to the Illinois Commerce Commission - they must approve rates that are just and reasonable. Consequently, the Commission could look at the highest (or average of the 3 highest) rates charged in the United States for local residence service and base the affordable rate on this figure. This methodology, when based on the average of the three highest rates (see Schedule 3.01) charged in large urban areas, suggests a rate of about $27 per month which includes taxes, surcharges and the end user common line charge. However, there is no way of determining whether what may be affordable in other states is affordable in Illinois because of income, demographic and social differences between states.

Q. Please comment on option (6) the weighted average long run incremental costs for small rural carriers.

A. The affordable rate could be set at the average long run service incremental cost of providing service by companies applying for IUSF funding. The same principle was used to establish prices for Band A, B and C access in Ameritech territory. Under this proposal the Commission would in essence establish a Band "D" for small rural companies. Some companies would continue to receive subsidies because their costs would be above average. However, it is far from clear whether a price based on cost would be affordable. One reason the IUSF was created was because it was feared that rates based on costs in high cost areas would be unaffordable.

Q. How have other states with Universal Service Funds defined the affordable rate?

A. Affordable rates and the definition of affordable rates differ from state to state. In Wyoming, for example, the affordable rate is defined as 130% of the state average. The state average (excluding the end user common line charge) is $26 per month[8]. This implies an affordable rate of about $34 per line. It should be noted that even at these prices the penetration rate in Wyoming (95%) is higher than in Illinois (91.3%). Other states (e.g. California) also define the affordable rate as a per cent of the average rate but obtain lower affordable rates than Wyoming because the state average rate is lower than in Wyoming.

Q. Staff has identified six different ways to determine an affordable rate. Which option does Staff recommend?

A. Although Staff has identified many ways to determine an affordable rate, the various methodologies would suggest that the affordable rate could range anywhere from $24 to $54. Staff recommends the affordable rate be set at a level that a low-income household could afford. This amounts to about $24 per month according to option (3). Since business rates are typically a few dollars more expensive than the residence rate this would imply an affordable business rate of about $27 per month.

[8] See 2001 Annual Telecommunications Report issued by the Wyoming Public Service Commission.

I recognize that this way of defining affordable service is not without drawbacks, but represents a viable method of proceeding.

IMPLEMENTING THE AFFORDABLE RATE

Q. How does Staff propose to implement the affordable rate?

A. The affordable rate of $24 should be phased in over a period of time not to exceed 5 years. Phasing in the affordable rate will prevent undue hardship to subscribers affected. Rates would rise $2 per month each year, or by one-fifth of the difference between the current rate and the affordable rate, whichever is greater. For example, a Company currently charging $9 per month for residence service (including the state subscriber line charge touchtone and EAS surcharges) could raise rates by $3 per month each year of a five year period. On the other hand a company currently charging $19 per month for residence service, could raise rates by $2 per month for the first 2 years, and then $1 a month in the third year to get rates to the affordable level. USF funding would decline with each increase in rates. For subscribers of exchanges where the current residence rate exceeds $24 or the business rate exceeds $27, the affordable rate would be the present rate.

I provide a calculation of the affordable rate for each of the IITA companies for the first five years of the plan in Schedule 3.02.

It should be noted that an individual company is not obligated to raise its rate to the affordable level. If for example, a company has a revenue requirement rate below the affordable rate, the company would not have to raise telephone rates to the affordable level. The affordable rate is only computed for purposes of calculating what subsidies if any the company is eligible for.

Q. What happens when the affordable rate reaches the $24 level?

A. The Commission has two options. First it could continue to keep the rate at $24. Alternatively, the rate could be indexed to the consumer price index because over time incomes rise and as a result higher rates become more affordable. Staff recommends that the affordable rate be indexed to the consumer price index.

Q. Does this conclude your testimony?

A. Yes it does.

Schedule 3.01

Monthly Residential Telephone Rates
Including touchtone surcharges and taxes*

State	City	Flat Rate
Alabama	Huntsville	$22.67
Alaska	Anchorage	14.48
Arizona	Tuscon	19.42
Arkansas	Pine Bluff	22.22
California	San Bernadino	23.19
Colorado	Boulder	21.39
Connecticut	Ansonia	18.64
District of Columbia	Washington	20.10
Florida	Tampa	19.23
Georgia	Atlanta	24.92
Hawaii	Honolulu	22.40
Indiana	Terre Haute	22.98
Iowa	Fort Dodge	15.90
Kentucky	Louisville	24.63
Louisiana	Baton Rouge	19.57
Maine	Portland	19.70
Maryland	Baltimore	24.67
Massachusetts	Boston	23.07
Michigan	Detroit	18.25
Minnesota	Minneapolis	21.46
Mississippi	Pacagoula	25.26
Missouri	Kansas City	19.53
Montana	Butte	19.69
Nebraska	Grand Island	23.27
New Jersey	Philipsburg	13.05
New Mexico	Alamogordo	20.99
New York	Buffalo	28.27
North Carolina	Raleigh	17.23
Ohio	Cincinnati	21.05
Oregon	Portland	21.19
Pennsylvania	Philadelphia	18.56
Rhode Island	Providence	23.50
South Carolina	Beaufort	19.76
Tennessee	Memphis	20.33
Texas	Dallas	18.07
Utah	Logan	17.73
Virginia	Richmond	23.78

State	City	Flat Rate
Washington	Everett	18.97
West Virginia	Huntington	27.16

* Rates as of October 15, 1998

Source : FCC Reference Book, June 1999

Docket Nos. 00-0233/0
ICC Staff Exhibit 3.0
Schedule 3.02

Affordable Rates by Exchange

Company	Exchange	Current Residence Rate*	Residence Lines	Current Business Rate*	Business Lines**	Minimum Proposed Affordable Res Rate	Minimum Proposed Affordable Bus Rate	Proposed Increase in Residence Rate Ist Year
Adams	All	12.2	3921	14.9	716	24	27	2.36
Alhambra	All	16.8	1043	19.71	140	24	27	2
Cambridge		16.4	1314	18.9	752	24	27	2
Cass Ct	Virginia+Ch	20.15	2264	23.29	637	24	27	2
	Chanlerville	18.7	228	21.32	50	24	27	2
Clarksville		14.97	222	16.77	10	24	27	2
C-R	Cornell	19.2	454	21.8	89	24	27	2
	Ransom	19.4	341	21.7	106	24	27	2
Crossville	Town	17.37	225	18.82	50	24	27	2
	Country	15.43	336	15.91	99	24	27	2
Egyptian	All	13.15	2788	15.7	390	24	27	2.17
El Paso		19.47	1561	24.76	572	24	27	2
FC Depue	Depue	22.69	129	28.5	10	24	27	1.31
	Rural	21.23	595	25.6	107	24	27	2
FC Illinois	Cooksville	18.79	208	24.12	28	24	27	2
	Cullom	19.54	418	24.87	98	24	27	2
	Danvers	18.42	1255	23.75	119	24	27	2
	Kempton	19.39	183	24.72	22	24	27	2
	Moweaqua	18.42	1235	23.75	199	24	27	2
	Saunemin	19.99	323	25.32	53	24	27	2
	Towanda	18.73	580	24.06	93	24	27	2
FC Lake	Findlay	22.97	499	28.3	130	24	27	1.03
	Kirksville	30.69	247	36.02	18	24	27	0
FC Midlan	Arenzville+	18.89	565	24.22	86	24	27	2
	Dorchester	19.07	244	24.4	11	24	27	2
	Herrick	19.84	408	25.07	31	24	27	2
	Modesto	21.15	264	26.48	27	24	27	2
	Oconee	18.02	356	23.35	35	24	27	2
	Pocahontas	18.02	750	23.35	129	24	27	2
	Scottville	20.6	184	25.93	12	24	27	2
	Sefton	19.78	210	25.11	9	24	27	2
	Shipman	18.78	747	24.01	78	24	27	2
	Woodburn	24.33	478	29.66	14	24	27	0

FC Mt. Pu	All	18.06	1613	19.72	334	24	27	2
FC Orion	All	19.52	1637	24.17	397	24	27	2
FC Prairie	Flanagan	18.27	715	23.6	148	24	27	2
	Graymont	23.04	198	28.37	39	24	27	0.96
FC Schuy		19.27	2329	24.81	712	24	27	2
Flat Rock		21.18	512	23.03	92	24	27	2
Geneseo		12.45	6159	14.95	3121	24	27	2.31
Glasford		3.93	1190	4.75	173	24	27	4.014
Grafton		19.2	620	20.7	232	24	27	2
Gridley		21.45	1013	22.95	428	24	27	2
Hamilton		18.7	2261	18.7	354	24	27	2
Harrisonville	Columbia	16.79	3839	24.56	1219	24	27	2
		19.31	171	26.98	33	24	27	2
	Red Bud	17.01	1411	25.02	648	24	27	2
		19.43	1068	27.38	178	24	27	2
	Prairie	18.23	221	22.97	44	24	27	2
		20.65	308	25.39	35	24	27	2
	Dupo	16.83	1276	23.04	411	24	27	2
		17.42	1053	23.04	53	24	27	2
	Renault	19.62	98	23.75	25	24	27	2
		22.04	741	26.17	39	24	27	1.96
	Valmeyer	19.32	244	23.44	82	24	27	2
		21.74	144	25.86	10	24	27	2
	Waterloo	19.27	3347	25.16	1059	24	27	2
		19.51	1544	27.58	230	24	27	2
Henry		17.24	1244	19.74	498	24	27	2
Home		20.92	861	26.5	151	24	27	2
Kinsman		4	73	4	8	24	27	4
LaHarpe	LaHarpe	20.04	801	22.54	195	24	27	2
	Fountain	19.54	100	22.04	9	24	27	2
Leaf River		24.93	522	29.52	88	24	27	0
Leonore		11.43	134	12.93	24	24	27	2.514
Madison		19.79	1358	22.86	241	24	27	2
Marseilles	Marseille	12.37	2229	14.4	497	24	27	2.326
		13.62	1201	16.7	129	24	27	2.076
	Rotary			19.4	154		27	

				20.2	30		27	
McDonough		19.45	3986	21.95	480	24	27	2
McNabb		18.75	376	22.15	95	24	27	2
Metarmora	Metamora	18.6	1242	22.82	353	24	27	2
		20.48	608	24.7	66	24	27	2
	German	21.99	1476	30.09	263	24	27	2
		23.87	208	31.97	12	24	27	0.13
Mid Centur	Ellisville	14.56	167	17.06	13	24	27	2
	Altona	16.56	316	19.06	53	24	27	2
	Williamsfie	14.56	1154	17.06	187	24	27	2
	Fairview	15.06	342	16.25	65	24	27	2
	Smithfield+	14.56	1793	17.06	209	24	27	2
	Bishop Hill+	16.56	488	19.06	68	24	27	2
Montrose	All	17.53	1405	20.51	249	24	27	2
Moultrie		20.19	667	20.19	186	24	27	2
New Windsor		15.17	470	17.11	172	24	27	2
Odin	All	20.2	1014	22.86	132	24	27	2
Oneida		12	453	13	156	24	27	2.4
Reynolds		13.44	460	16.44	125	24	27	2.112
Shawnee	Hicks+Rop	18.06	3243	22.37	725	24	27	2
	Leamington	15.59	594	18.32	176	24	27	2
Stelle		5.88	75	3	27	24	27	3.624
Tonica		30.87	434	32.82	89	24	27	0
Viola Home		12.25	691	14.19	163	24	27	2.35
Wabash	All	18.51	4577	21.32	692	24	27	2
Woodhull		13.76	578	15.68	176	24	27	2.048
Yates City		22.45	477	24.95	103	24	27	1.55
Total Lines			94104		22075		116179	

* Figures include basic charge, state subscriber line charge, EAS charges and touchtone charges. It is

**Figures include mulit-line business but do not include payphones in Harrisonville

Proposed Increase in Business Rate Ist Year	Proposed Affordable Rate Res Year 1	Proposed Affordable Bus Rate Year 1	Proposed Affordable Res Rate Year 2	Proposed Affordable Bus Rate Year 2	Proposed Affordable Res Rate Year 3	Proposed Affordable Bus Rate Year 3	Proposed Affordable Res Rate Year 4	Proposed Affordable Bus Rate Year 4
2.42	14.56	17.32	16.92	19.74	19.28	22.16	21.64	24.58
2	18.8	21.71	20.8	23.71	22.8	25.71	24	27
2	18.4	20.9	20.4	22.9	22.4	24.9	24	26.9
2	22.15	25.29	24	27	24	27	24	27
2	20.7	23.32	22.7	25.32	24	27	24	27
2.046	16.97	18.816	18.97	20.862	20.97	22.908	22.97	24.954
2	21.2	23.8	23.2	25.8	24	27	24	27
2	21.4	23.7	23.4	25.7	24	27	24	27
2	19.37	20.82	21.37	22.82	23.37	24.82	24	26.82
2.218	17.43	18.128	19.43	20.346	21.43	22.564	23.43	24.782
2.26	15.32	17.96	17.49	20.22	19.66	22.48	21.83	24.74
2	21.47	26.76	23.47	27	24	27	24	27
0	24	28.5	24	28.5	24	28.5	24	28.5
1.4	23.23	27	24	27	24	27	24	27
2	20.79	26.12	22.79	27	24	27	24	27
2	21.54	26.87	23.54	27	24	27	24	27
2	20.42	25.75	22.42	27	24	27	24	27
2	21.39	26.72	23.39	27	24	27	24	27
2	20.42	25.75	22.42	27	24	27	24	27
1.68	21.99	27	23.99	27	24	27	24	27
2	20.73	26.06	22.73	27	24	27	24	27
0	24	28.3	24	28.3	24	28.3	24	28.3
0	30.69	36.02	30.69	36.02	30.69	36.02	30.69	36.02
2	20.89	26.22	22.89	27	24	27	24	27
2	21.07	26.4	23.07	27	24	27	24	27
1.93	21.84	27	23.84	27	24	27	24	27
0.52	23.15	27	24	27	24	27	24	27
2	20.02	25.35	22.02	27	24	27	24	27
2	20.02	25.35	22.02	27	24	27	24	27
1.07	22.6	27	24	27	24	27	24	27
1.89	21.78	27	23.78	27	24	27	24	27
2	20.78	26.01	22.78	27	24	27	24	27
0	24.33	29.66	24.33	29.66	24.33	29.66	24.33	29.66

2	20.06	21.72	22.06	23.72	24	25.72	24	27
2	21.52	26.17	23.52	27	24	27	24	27
2	20.27	25.6	22.27	27	24	27	24	27
0	24	28.37	24	28.37	24	28.37	24	28.37
2	21.27	26.81	23.27	27	24	27	24	27
2	23.18	25.03	24	27	24	27	24	27
2.41	14.76	17.36	17.07	19.77	19.38	22.18	21.69	24.59
4.45	7.944	9.2	11.958	13.65	15.972	18.1	19.986	22.55
2	21.2	22.7	23.2	24.7	24	26.7	24	27
2	23.45	24.95	24	26.95	24	27	24	27
2	20.7	20.7	22.7	22.7	24	24.7	24	26.7
2	18.79	26.56	20.79	27	22.79	27	24	27
0.02	21.31	27	23.31	27	24	27	24	27
1.98	19.01	27	21.01	27	23.01	27	24	27
0	21.43	27.38	23.43	27.38	24	27.38	24	27.38
2	20.23	24.97	22.23	26.97	24	27	24	27
1.61	22.65	27	24	27	24	27	24	27
2	18.83	25.04	20.83	27	22.83	27	24	27
2	19.42	25.04	21.42	27	23.42	27	24	27
2	21.62	25.75	23.62	27	24	27	24	27
0.83	24	27	24	27	24	27	24	27
2	21.32	25.44	23.32	27	24	27	24	27
1.14	23.74	27	24	27	24	27	24	27
1.84	21.27	27	23.27	27	24	27	24	27
0	21.51	27.58	23.51	27.58	24	27.58	24	27.58
2	19.24	21.74	21.24	23.74	23.24	25.74	24	27
0.5	22.92	27	24	27	24	27	24	27
4.6	8	8.6	12	13.2	16	17.8	20	22.4
2	22.04	24.54	24	26.54	24	27	24	27
2	21.54	24.04	23.54	26.04	24	27	24	27
0	24.93	29.52	24.93	29.52	24.93	29.52	24.93	29.52
2.814	13.944	15.744	16.458	18.558	18.972	21.372	21.486	24.186
2	21.79	24.86	23.79	26.86	24	27	24	27
				0				
2.52	14.696	16.92	17.022	19.44	19.348	21.96	21.674	24.48
2.06	15.696	18.76	17.772	20.82	19.848	22.88	21.924	24.94
2		21.4		23.4		25.4		27

2		22.2		24.2		26.2		27
2	21.45	23.95	23.45	25.95	24	27	24	27
2	20.75	24.15	22.75	26.15	24	27	24	27
2	20.6	24.82	22.6	26.82	24	27	24	27
2	22.48	26.7	24	27	24	27	24	27
0	23.99	30.09	24	30.09	24	30.09	24	30.09
0	24	31.97	24	31.97	24	31.97	24	31.97
2	16.56	19.06	18.56	21.06	20.56	23.06	22.56	25.06
2	18.56	21.06	20.56	23.06	22.56	25.06	24	27
2	16.56	19.06	18.56	21.06	20.56	23.06	22.56	25.06
2.15	17.06	18.4	19.06	20.55	21.06	22.7	23.06	24.85
2	16.56	19.06	18.56	21.06	20.56	23.06	22.56	25.06
2	18.56	21.06	20.56	23.06	22.56	25.06	24	27
2	19.53	22.51	21.53	24.51	23.53	26.51	24	27
2	22.19	22.19	24	24.19	24	26.19	24	27
2	17.17	19.11	19.17	21.11	21.17	23.11	23.17	25.11
2	22.2	24.86	24	26.86	24	27	24	27
2.8	14.4	15.8	16.8	18.6	19.2	21.4	21.6	24.2
2.112	15.552	18.552	17.664	20.664	19.776	22.776	21.888	24.888
2	20.06	24.37	22.06	26.37	24	27	24	27
2	17.59	20.32	19.59	22.32	21.59	24.32	23.59	26.32
4.8	9.504	7.8	13.128	12.6	16.752	17.4	20.376	22.2
0	30.87	32.82	30.87	32.82	30.87	32.82	30.87	32.82
2.562	14.6	16.752	16.95	19.314	19.3	21.876	21.65	24.438
2	20.51	23.32	22.51	25.32	24	27	24	27
2.264	15.808	17.944	17.856	20.208	19.904	22.472	21.952	24.736
2	24	26.95	24	27	24	27	24	27

debatable whether the affordable rate should include EAS charges or exclude EAS charges.

Proposed Affordable Res Rate Year 5	Proposed Affordable Bus Rate Year 5
24	27
24	27
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24	28.5
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24	27
24	27
24	28.3
30.69	36.02
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24.33	29.66

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24	27
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24	27.58
24	27
24	27
24	27
24	27
24	27
24.93	29.52
24	27
24	27
24	27
24	27
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	27
24	27
24	27
24	27
24	27
24	30.09
24	31.97
24	27
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24	27
24	27
24	27
24	27
24	27
24	27
24	27
24	27
24	27
24	27
24	27
24	27
30.87	32.82
24	27
24	27
24	27
24	27